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TAGS: [KTFN](#) [EFIN](#) [PTER](#) [PREL](#) [PARM](#) [MNUC](#) [AR](#) [BL](#) [CO](#) [PA](#)  
SUBJECT: GAFISUD AND ARGENTINA SEEK U.S. HELP TO AVOID  
SUSPENSION OF BOLIVIA, PARAGUAY, AND COLOMBIA'S MEMBERSHIPS

Classified By: EconOff Chris Landberg For Reasons 1.4 (B and D).

Summary  
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11. (C) In separate conversations, GAFISUD's Executive Secretary Alejandro Montesdeoca and Argentina's National

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Coordinator Dr. Juan Felix Marteau expressed grave concerns to Emboffs that GAFISUD (South American Financial Action Task Force) would be forced to suspend Bolivia's membership during the December 6-7 plenary in Buenos Aires. They reported that the GAFISUD delegation that visited La Paz, November 5-6, concluded that Bolivia appeared to be "falling apart" and clearly would not be able to pay its delinquent GAFISUD dues. They also warned that GAFISUD countries would likely have to suspend Colombia and Paraguay's memberships as well, unless they pay their arrears immediately. Both thought this action would severely damage the organization, and Marteau asked whether the USG could salvage the institution by convincing at least Colombia to meet its commitments. End Summary.

GOA Looks for Ways to Avoid Suspensions  
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12. (C) Econoff met November 9 with Juan Felix Marteau, the GoA's National Coordinator for Anti-Money Laundering and Counter-Terrorism Finance (AML/CTF). Marteau represents the GoA to both FATF and GAFISUD (headquartered in Buenos Aires). Marteau had just returned from a multilateral GAFISUD-led visit to Bolivia, November 5-6, to discuss Bolivia's delinquent dues to GAFISUD and its failure to comply with GAFISUD AML/CTF standards.

13. (C) GAFISUD Executive Secretary Montesdeoca led the delegation, which included the National Coordinators from Argentina, Brazil, Chile, Ecuador, and Peru. Marteau confirmed AmEmbassy-La Paz's reports that GAFISUD is not a priority for the Bolivian government. The delegation's interlocutors in the GoB said they faced serious legal and political problems to paying their GAFISUD dues and improving

their legal, regulatory, and law enforcement efforts related to money laundering. The GoB officials apparently also noted that terrorist financing did not exist in Bolivia. And since it was not a problem, they told the GAFISUD delegation that they did not see the need to address it.

14. (C) Marteau (who departed after the first day of at least two days of meetings) said he was deeply concerned about the situation, and commented that he expected GAFISUD members would be forced to vote on the suspension of Bolivia at the December 6-7 GAFISUD plenary in Buenos Aires. He thought that it would be impossible to vote on Bolivia's status without also voting on Paraguay and Colombia, which are also delinquent on their GAFISUD dues.

15. (C) Marteau noted that Colombia did not send a delegation to the last GAFISUD plenary, probably, he thought, because GAFISUD had already suspended Colombia's voting rights. Colombia's apparent lack of interest is worrisome, but he also argued that Colombia's failure to pay GAFISUD dues -- a situation that has gone on for seven years (since GAFISUD was founded in 2000) -- is unacceptable.

16. (C) Marteau predicted that suspending these three countries' membership in GAFISUD would seriously damage the organization (in addition to having a potentially negative impact on their financial sectors). He considered it crucial to increase pressure on Colombia to clear its arrears and stay current on payments, and asked whether the U.S. could approach the GoC on this issue, given the bilateral linkages on law enforcement issues. Marteau thought that Bolivia might be a lost cause, but also commented (unofficially) that at least resolving the situation with Colombia might be a sufficient interim step. He thought that with Colombia current on payments, GAFISUD members could explore ways to

keep Bolivia and Paraguay in the institution, while acknowledging their inability/unwillingness to pay dues or completely comply with GAFISUD recommendations.

#### GAFISUD's ExecSec Planning for Suspensions

17. (C) During a subsequent telcon, GAFISUD ExecSec Montesdeoca confirmed to Treasury Advisor that Bolivia was "falling apart" and it would clearly not be able to pay its dues. He stated that as things stood, GAFISUD would suspend Bolivia from the organization at the December plenary. Montesdeoca noted that the law authorizing payments to GAFISUD was stuck in Congress, and the GoB officials he met with did not hold out hope for its passage soon.

18. (C) Montesdeoca noted that Bolivia had lobbied Brazil for help in getting an extension on making payments by July 2008, but Brazil rejected the request. Therefore, he considered Bolivia at a dead-end. He said Paraguay was too poor and lacked the political will to meet its financial and legal/regulatory commitments to GAFISUD. However, he was aware that the GoP was exploring whether it could avoid being suspended by paying 50% of its arrears prior to the plenary, and then proposing a payment plan to become current. While the situation is bad with all three countries, Montesdeoca was particularly irritated with Colombia. He alleged that the GoC has not shown any intention of making dues payments and had rebuffed Mexico and Brazil's efforts to broker a solution. Lately, he said, the GoC representatives to GAFISUD have not even been answering telephone calls or emails.

WAYNE